

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: <b>ML 51230</b>	6. SURFACE: <b>State</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Running Foxes Petroleum, Inc.</b>		9. WELL NAME and NUMBER: <b>Cisco 32-12-4</b>	
3. ADDRESS OF OPERATOR: <b>7060 B S. Tucson Way</b> CITY <b>Centennial</b> STATE <b>CO</b> ZIP <b>80112</b>		10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b> <b>205</b>	
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>1520' fsl &amp; 825' fwl    NW SW</b> AT PROPOSED PRODUCING ZONE: <b>Same as above</b>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSW 32    19S    23E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>approx. 13 miles to the Northwest of the town of Cisco, Utah</b>		12. COUNTY: <b>Grand</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>825 ft.</b>	16. NUMBER OF ACRES IN LEASE: <b>640 Acres</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40 Acres</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>2929 ft.</b>	19. PROPOSED DEPTH: <b>3,226</b>	20. BOND DESCRIPTION: <b>pending</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>4997 ft. GL</b>	22. APPROXIMATE DATE WORK WILL START: <b>7/17/2007</b>	23. ESTIMATED DURATION: <b>21 days</b>	

24. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
	<b>See      Attached      A thru G</b>		

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER
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NAME (PLEASE PRINT) Kent Keppel                      TITLE Landman

SIGNATURE *Kent Keppel*                      DATE 6-24-2008

(This space for State use only)

Approved by the  
Oil, Gas and Mining  
Division of  
Utah

API NUMBER ASSIGNED: 43-019-31583

APPROVAL:

Date: 09-11-08  
(See Instructions on Reverse Side)  
By: *[Signature]*

**RECEIVED**  
**JUN 25 2008**  
DIV. OF OIL, GAS & MINING

G.L.O 1924

N. 00° 02' 58" E. (CALC.) 5306.57'

SEC. 32

T19S, R23E  
SLB&M

CISCO 32-12-4  
ELEV. 4997'

825' FWL

N. 28° 31' 47" E.  
7730'

1520' FSL

U.S.L.O. 1909

N. 89° 56' 25" W. 5298.44'  
(BASIS OF BEARINGS)

1000' 0' 1000'  
SCALE: 1" = 1000'

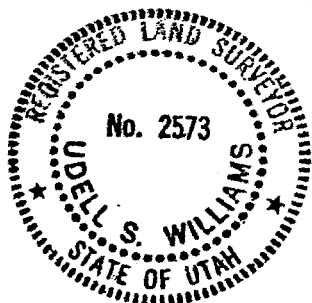
U.S.L.O. 1909

Lat. 39° 06' 27" N.  
Long. 109° 24' 22" W.

### CISCO 32 12-4

Located 1520 feet FSL and 825 feet FWL of Section 32, T19S, R23E, SLB&M, Grand County, Utah.

Prepared for: RUNNING FOXES PETROLEUM INC., 7060B S. Tucson Way, Centennial, Colorado 80112



### SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Udell S. Williams*  
Utah PLS No. 2573



**UDELL S. WILLIAMS**  
Professional Land Surveyor  
449 E. Scenic Dr. (970) 254-0157  
Grand Junction, Colorado 81503-1569  
Surveying Western Colorado & Eastern Utah Since 1953

PLAT OF  
PROPOSED LOCATION  
**CISCO 32-12-4**  
SENEWSW SECTION 32  
T19S, R23E, SLB&M

SURVEYED BY: USW DATE: 6/06/2008  
DRAWN BY: USW DATE: 6/07/2008

# APPLICATION FOR PERMIT TO DRILL

## Inspection Checklist

June 24, 2008

Company Running Foxes Petroleum, Inc. Well No. Cisco 32-12-4

Location: Sec. 32, T. 19S, R. 23E, Lease No. ML 51230

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR § 3100 & 43 CFR § 3160), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

### A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops: Mancos Shale surface, Dakota Formation marker 2290', Cedar Mountain Formation 2390', Brushy Basin Member of Morrison Formation 2516', Salt Wash Member of Morrison Formation 2786', Entrada Formation 3126'.
2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered:

#### Depth/Formation

Expected Oil Zones: 2290'/Dakota, 2516'/Brushy Basin, 3126'/Entrada

Expected Gas Zones: 2290'/Dakota, 2390'/Cedar Mtn, 2786'/Salt Wash

Expected Water Zones: Layers in any pre-Mancos formation can be saline aquifers

Expected Mineral Zones: 2290'/Dakota (possible water)

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to The Division of Oil, Gas and Mining. All oil and gas shows will be tested to determine commercial potential. See Attachment A.

3. Pressure Control Equipment -include schematics of the BOP and choke manifold, and describe testing procedures: Double ram (pipe and blind) BOP with minimum working pressure rating of 1500 psi equipped with accumulator for remote operation and rotating head/diverter with minimum working pressure rating of 500 psi. BOP will be tested for ten minutes holding 1000 psi prior to drilling through surface casing shoe. See schematic diagram of typical equipment depicted by APD Attachment B

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2 as allowed under the Greater Cisco Area variance dated May 14, 2003. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log.

4. Casing Program and Auxiliary Equipment -include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned): 120' new 8 5/8" J-55 ST&C 24 ppf (or better) surface casing. 3175' reconditioned 4.5" J-55 LT&C 10.5 ppf (or better) long string casing. *6.5-6 3/4" prod. hole 9.2 Nwell 12 1/4" surf hole*
5. Cement -include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: Surface casing will be cemented to surface with an estimated 100 sacks (including 25% excess) of 15.6 ppg Class A slurry that yields 1.18 cubic feet per sack. The long string will be cemented from TD to Surface with 250 sacks (including 25% excess) of 15.6 ppg Class A slurry yielding 1.18 cubic feet per sack. Cello-flake will be added to control fluid loss.

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom two joints of each casing string.

6. Mud Program and Circulating Medium -include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Circulating medium will be compressed air with 4-6% KCl water solution injected into the air stream to form mist to stabilize the hole and control dust. Foaming agents will be used as needed to maintain circulation. Excessive fluid flows will be controlled by mixing KCl/gel/polymer mud as needed and the materials will be held on standby in Grand Junction, Colorado for such purposes. 100 bbls of water will be on the location for use as kill fluid. The blooie line will be constructed of 4" minimum diameter pipe that is at minimum 100' in length. The igniter will be a diesel fuel smudge pot.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

7. Coring, Logging and Testing Program: No coring tests are planned, but open hole logging is planned.

Initial opening of drill stem test tools will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards -include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones, abnormal temperature zones and possible hydrogen sulfide bearing zones: No abnormal temperature conditions or occurrences of hydrogen sulfide are known to exist in the Greater Cisco Field. Zones of lost circulation are not expected, and are unlikely to be recognized with the circulation system being used. The pressure gradient is normal to subnormal. Formation pressure through the depths and formations to be penetrated at this location will be no greater than 750 psi.

9. Any Other Aspects of this Proposal that should be Addressed: None.

**B. THIRTEEN POINT SURFACE USE PLAN**

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

**1. Existing Roads:**

- a. Proposed route to location is depicted by APD Attachment C.
- b. Location of well is 7.75 miles (+/-) Northwest of Exit 214, see Attachment A & C.
- c. The Grand County Road Department will be made aware of the use of county roads required by this proposal.
- d. Plans for improvement and/or maintenance of existing roads: Will water roads if conditions warrant for control of fugitive dust or clear mud during wet conditions.

**2. Planned Access Roads:**

- a. Location (centerline): Well pad lies 2956 ft. to the West of the Cisco 32-15-1 well site.
- b. Length of new access to be constructed: 200 ft. (+/-) from the gravel road going northwest from Cisco Wash
- c. No improvements needed on the county roads and Running Foxes Petroleum will maintain lease roads on an as-needed basis.
- d. Maximum total disturbed width: New roads to be constructed approximately 16 ft. wide for drilling. For production, the roads will be constructed, upgraded, and maintained with a width of 25 ft. or less.
- e. Maximum travel surface width: 14 to 18 feet.
- f. Maximum grades: Less than 6%
- g. Turnouts: Road intersections and well pads would be utilized for turnouts.
- h. Surface materials: Native soils. If the roads will be used by tanker trucks during wet, winter conditions, the road will be surfaced with rock materials.
- i. Drainage (crowning, ditching, culverts, etc): No drainage control will be provided during drilling. During production, water turnouts and/or roadside ditches will be utilized for drainage and erosion control.
- j. Cattleguards: None.
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a right-of-way is required: N/A.
- l. Other: In order to protect water shed values and minimize erosion Running Foxes Petroleum will commit to the following provisions during drilling operations and well pad construction during winter drilling months. When roads are to be

constructed during winter drilling months Running Foxes Petroleum will construct access roads to the well pad comprised of 2" to 3" deep road base by a width of 14'. The road base used will be that acquired from the BLM borrow pit in S29 T20S R24E. This road will then be maintained year round by Running Foxes Petroleum.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by BLM in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned.

3. Location of Existing Wells -on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: APD Attachment C depicts the locations of wells near the location. Within a one mile radius there are 0 producing oil and/or gas wells. There are no water, injection or disposal wells operating in that area and there are no drilling wells.
4. Location of Production Facilities:
  - a. On-site facilities: If production of oil and gas is established, the on-site facilities will include wellhead, 3-phase separator, production storage tank, water evaporation pit and gas meter with enclosure. See APD Attachment E for the layout of the on-site facilities.
  - b. Off-site facilities: None.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Shades that match native soils in the area.

All site security guidelines identified in 43 CFR § 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated

quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Oil and Gas Order No. 7. If water is produced from the well, an application in conformance with Order No. 7 must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Commercial sources such as Ute Water in Mack, Colorado or the Thompson Special Service District in Thompson, Utah.

A temporary water use permit for this operation could be obtained from the Utah State Engineer in Price, Utah at (801) 637-1303 but will not be necessary.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from 2.I. listed above. (on site native soils)

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The blooie and reserve pits will be constructed in Mancos Shale, a bentonite-rich aquitard.

The blooie pit will be located at least 100' from the wellhead, and the pit walls will be sloped at no greater than 1 to 1.

The blooie pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

8. Ancillary Facilities: Portable toilet.

9. Well Site Layout -depict the pit, rig, cut and fill, topsoil, etc. on the plat. See APD Attachment F.

All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR § 3162.6.

Access to the well pad will be from the North as depicted by APD Attachments F.

The blooie line will be located at a 30 degree angle to the drilling rig, arranged in a straight path with its outlet at least 100 feet from the well head where a diesel smudge pot will serve as an automatic igniter. See APD Attachment F.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, water will be injected into the compressed air stream used for the well circulation system and the blooie line effluent will be directed toward a high earth bank at the opposite end of the pit.

10. Plans for Restoration of the Surface:

The top two inches of topsoil material will be removed from the location and stockpiled separately on the margins of the location. See APD Attachment F.

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between October 1 and December 15, or at a time specified. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: Indian Ricegrass 4 pounds per acre, Fourwing Saltbush 2 pounds per acre and Shadscale 2 pounds per acre.

The abandonment marker will be one of the following, as specified by BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.



In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: N/A.

11. Surface and Mineral Ownership: The surface and minerals are State owned.

12. Other Information:

- a. Archeological Concerns: Inventory will not be made of any resources in the disturbed area of the well site and upgraded road.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Trust Lands Administration. Within five (5) working days, the BLM will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Trust Lands Administration to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Trust Lands Administration will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The Trust Lands Administration will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Trust Lands Administration that the required mitigation has been completed, the operator will then be allowed to resume construction.

13. Lessee's or Operator's Representative and Certification

Representative:

Name: Kent Keppel

Title: Landman

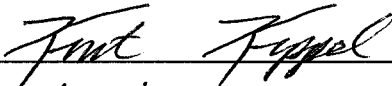
Address: 7060-B S. Tucson Way  
Centennial, Co. 80112

Phone No.: (720) 889-0510

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Running Foxes Petroleum, Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under STATE bond no. \_\_\_\_\_. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Signature

  
Landman

Title

Date

6-24-2008

**Running Foxes Petroleum, Inc.****7060B S. Tucson Way****Centennial, Colorado 80112****Landman: Kent Keppel (720) 889-0510****Geologist: Neil D. Sharp (720) 889-0510****Cisco 32-12-4 Drilling Plan**

1520' fsl &amp; 825' fwl; (SE NW SW); Sec. 32 Twp. 19S Rge. 23E SLM; Grand County, Utah

Location access (Refer to Attachment C & F): From Exit 214 I-70 (wb), proceed north on Book Cliffs Road (paved) for 200 feet & then turn left toward west on Danish Flat county road (gravel). Proceed down this gravel road for 5.25 miles (+/-) until you come to a 4 way intersection before driving into Cisco Wash. At this junction turn to the right (NW) & proceed down the gravel road for 2 miles (+/-) until a fork is encountered. At the fork take a left. Proceed for a half mile (+/-), staying to the right, down the gravel road until you see a flagged road on your left hand side. Turn onto this road and follow south into the proposed well pad.

Exit 214 is 49 miles northeast of Moab, UT via US 191, UT 128 and county road through Cisco, UT, 64 miles from Moab via US 191 and I-70, 47 miles west of Grand Junction, CO via I-70 and 153 miles from Vernal, UT via US 40 through Rangely, CO on CO 64, over Douglas Pass on CO 139 to Loma, CO and I-70.

Projected Tops:	Mancos Shale	Surface	Elevation GL 4497'
	Dakota Fm marker	2290'	Oil & natural gas (possible water)
	Cedar Mountain Fm	2390'	Natural Gas (possible water)
	Morrison Fm		
	Brushy Basin Mbr	2516'	Oil and Natural Gas
	Salt Wash Mbr	2786'	Natural Gas
	Entrada Fm	3126'	Oil and Natural Gas
	TD	3226'	

**Construction program:**

- ☼ Air, mist and/or foam circulation using 5-7% KCl water injection below K Dakota
- ☼ Minimum 1500 psi rated BOP with 500 psi rated diverter and 100' min. 4" blooie line to pit
- ☼ 11" hole to 150' below GL elevation to set 8 5/8" 24#, J55 (or better) surface casing with Class G cement circulated back to surface. Estimate 50 sacks (2.2 cubic yards) with slurry yield of 1.18 cubic feet per sack including 25% excess.
- ☼ 6 1/4" hole to 3200' below KB to set 4.5" 10.5#, J55 (or better) long string and cement with Type III slurry from TD to surface. Estimate 250 sacks (5.3 cubic yards) with slurry yield of 1.18 cubic feet per sack including 25% excess.
- ☼ Run 2 3/8" tubing for completion testing

Once the well has been spud, drilling operations will continue until the well is brought to TD with production casing ran and cemented in or if the well is to be plugged and abandoned.

A casing decision will be made based upon drilled shows & open-hole logs that will be run.

Well will be killed with 4-7% KCL water or KCL/gel/polymer mud to run long string.

435-820-0238 Water  
High Desert Excavation

4th  
Greg Simmons

# NOTICE OF ASSESSMENT OF GREEN RIVER CANAL CO., - GREEN RIVER, UTAH

Notice is hereby given that at a meeting of the board of directors held on October 09, 2005, an assessment of \$12.00 per share was levied on the capital and/or secondary stock of the corporation payable at the office of the undersigned Secretary at Green River, Utah on or before:

NOVEMBER 30, 2005

pd 11/1/05  
#2373  
\$62.00

At said meeting, pursuant to Article XV, of the Articles of Incorporation of the Company, there was levied a minimum service charge of \$50.00 against each stockholder for the year 2005.

Any stock upon which assessment and/or service charge may remain unpaid on NOVEMBER 30, 2005, will be delinquent and advertised for sale at public auction and unless payment is made before will be sold on December 31, 2005 to pay said delinquencies together with the cost of advertising and expense of sale.

J. A. Scott  
Secretary  
Green River, Utah

Total Shares	1
Stock Assessment	\$ 12.00
Service Charge	\$ 50.00
<b>TOTAL DUE</b>	<b>\$ 62.00</b>

Board of Directors Green River Canal Company:

Glenn Baxter  
Dean King

Von Bowerman  
Tim Vetre

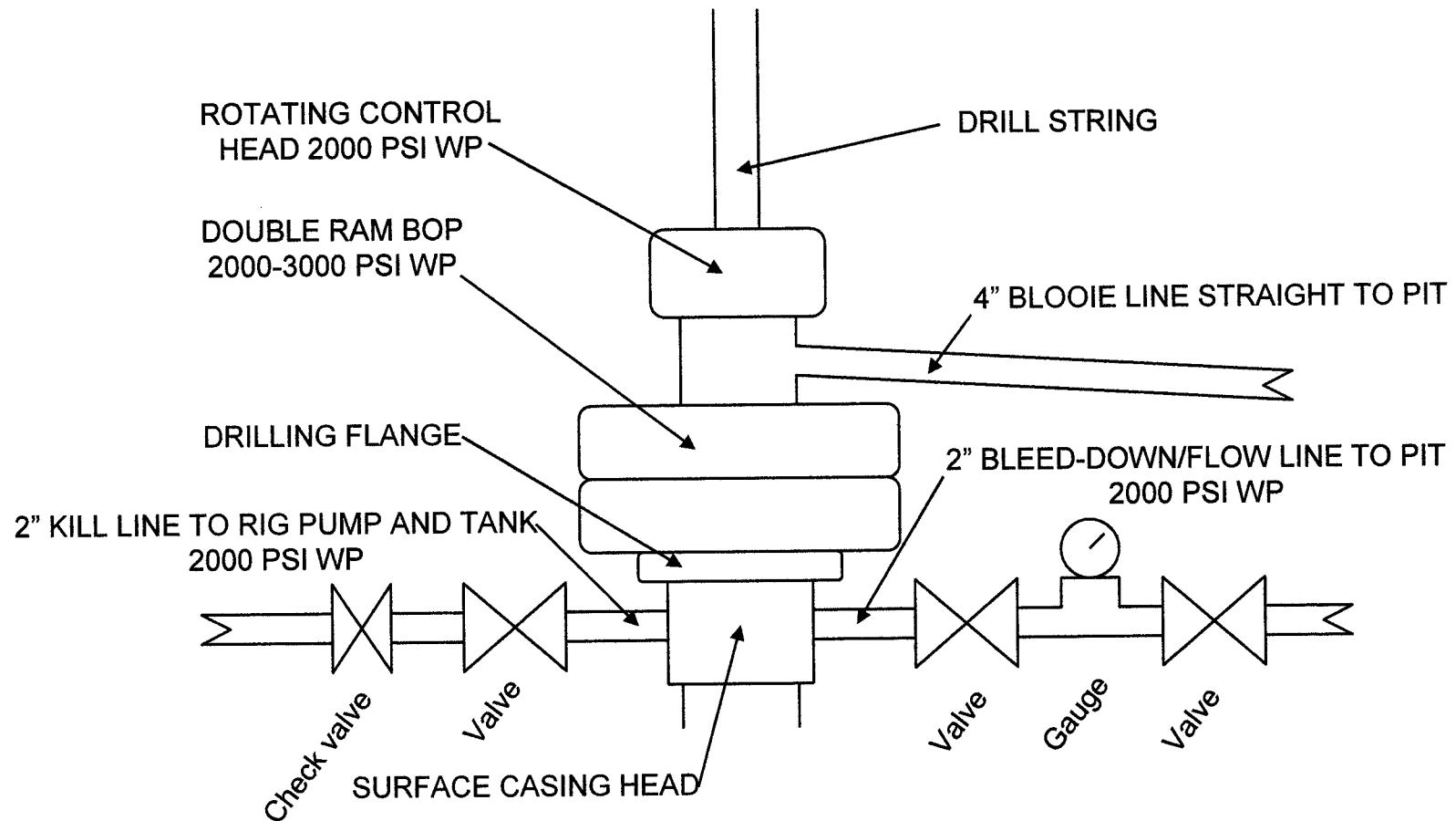
Edward Hansen

**DUE NO LATER THAN NOV 30**

# Pressure control system for Greater Cisco Field Operations

In compliance with Greater Cisco Area variance from Onshore O&G Order No. 2 dated May 14, 2003

\*Not drawn to scale

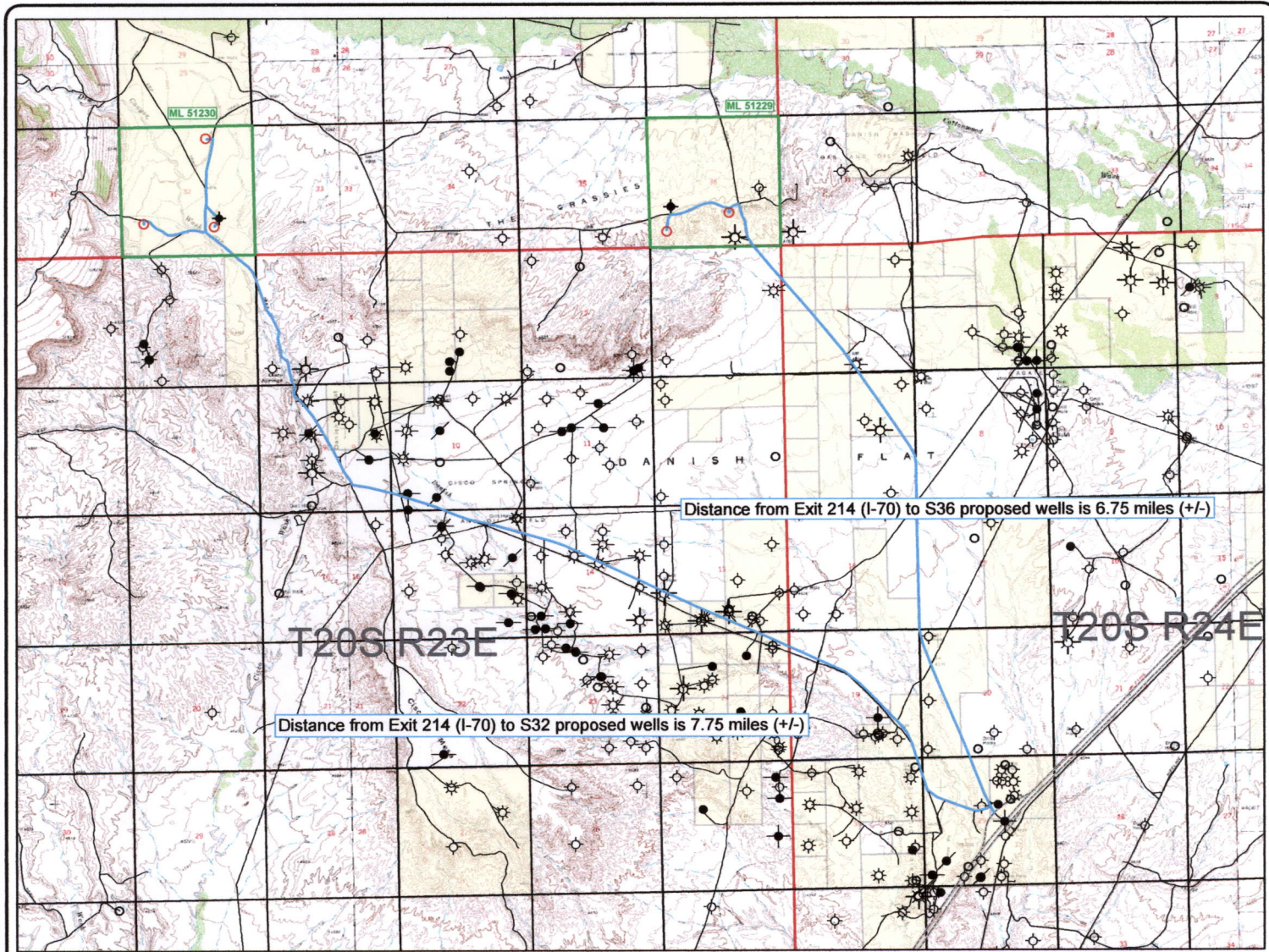







**Running Foxes Petroleum  
Cisco Springs Project  
Grand County, Utah  
Attachment C**









**Proposed State Locations  
S32 & 36 T19S R23E  
Grand County, Utah  
State Lease ML 51229 & 51230**



**Proposed State Wells**   
**State Lease Boundary**   
**County Roads** 

**Running Foxes Leases**   
**Route to Proposed Wells** 

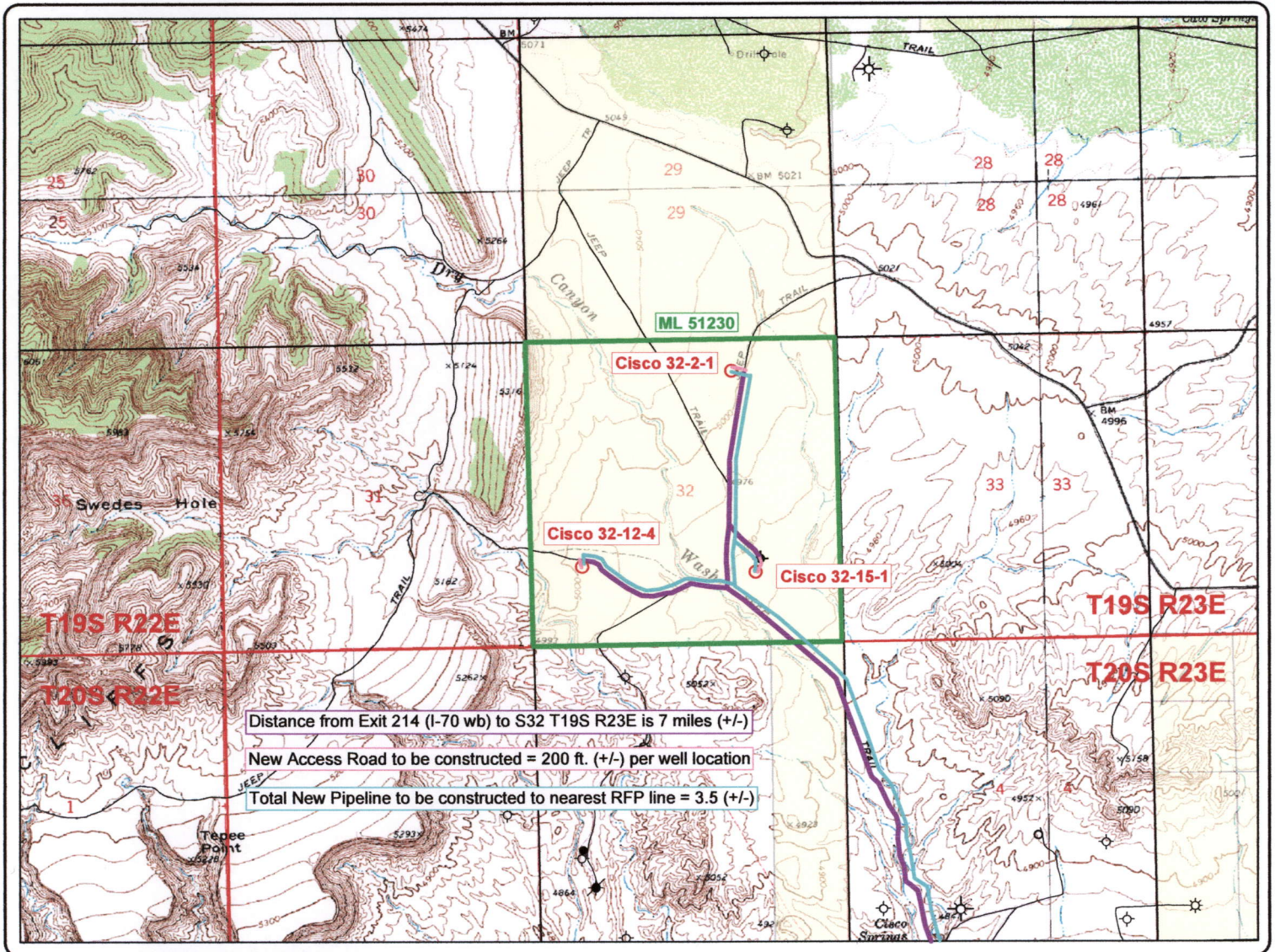
 **Oil Well Symbol**  
 **Gas Well Symbol**  
 **Dry Hole Symbol**  
 **Abandoned Well Symbol**  
 **P & A Well Symbol**  
 **Shut In Well Symbol**



**Running Foxes Petroleum  
Cisco Springs Project  
Grand County, Utah  
Attachment D**



**Proposed State Locations  
S32 T19S R23E  
Grand County, Utah  
State Lease ML 51230**

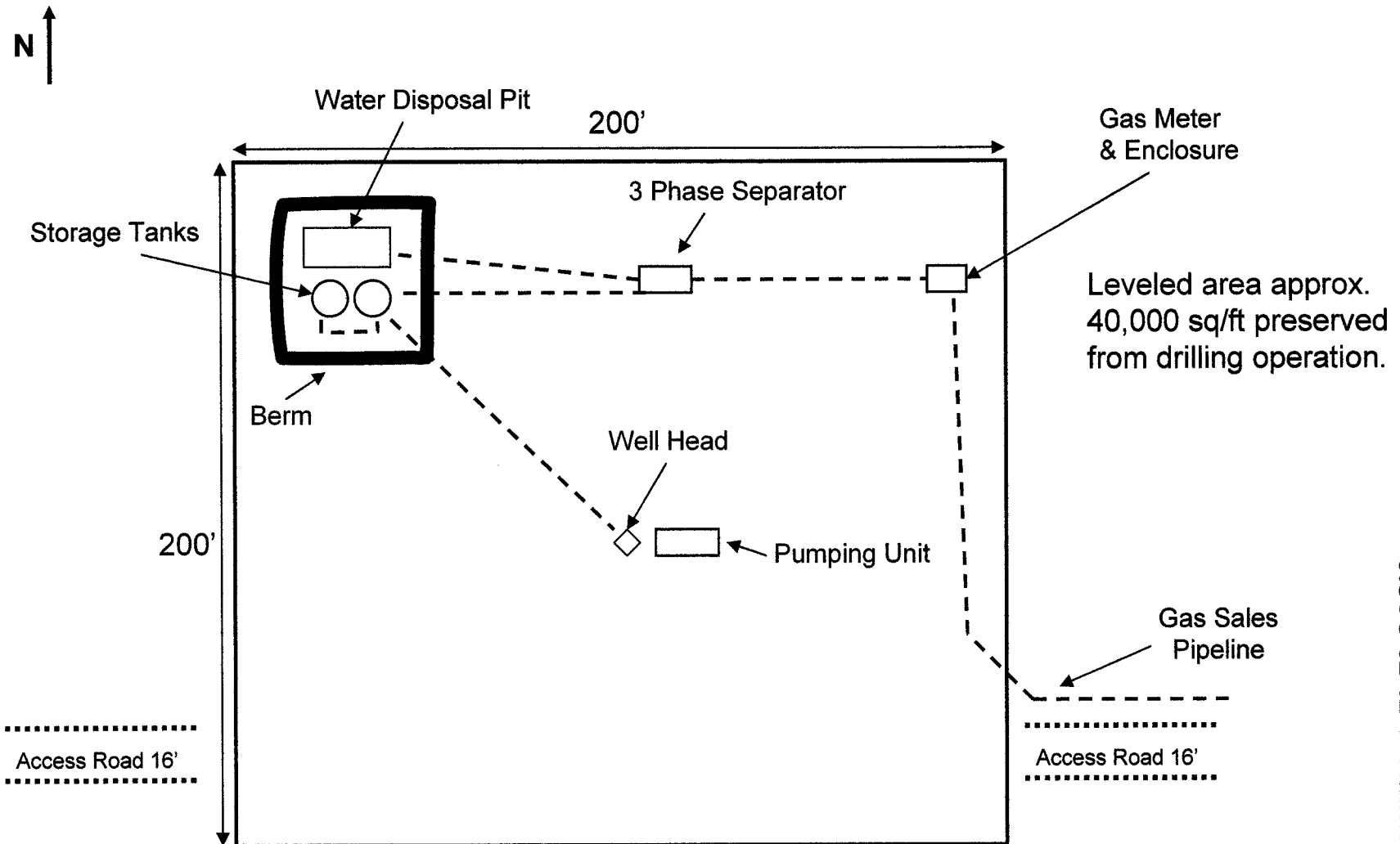


**Proposed Well Locations:** ○  
**State Lease Boundary (ML 51230)** ———  
**Running Foxes Petroleum Leases** ———

**Route to S32 Wells** ———  
**County Roads** ———  
**New Access Road to be Constructed** ———  
**New Pipeline to be Constructed** ———

# Equipment Layout for Three Phase Production

\*Not Drawn to Scale

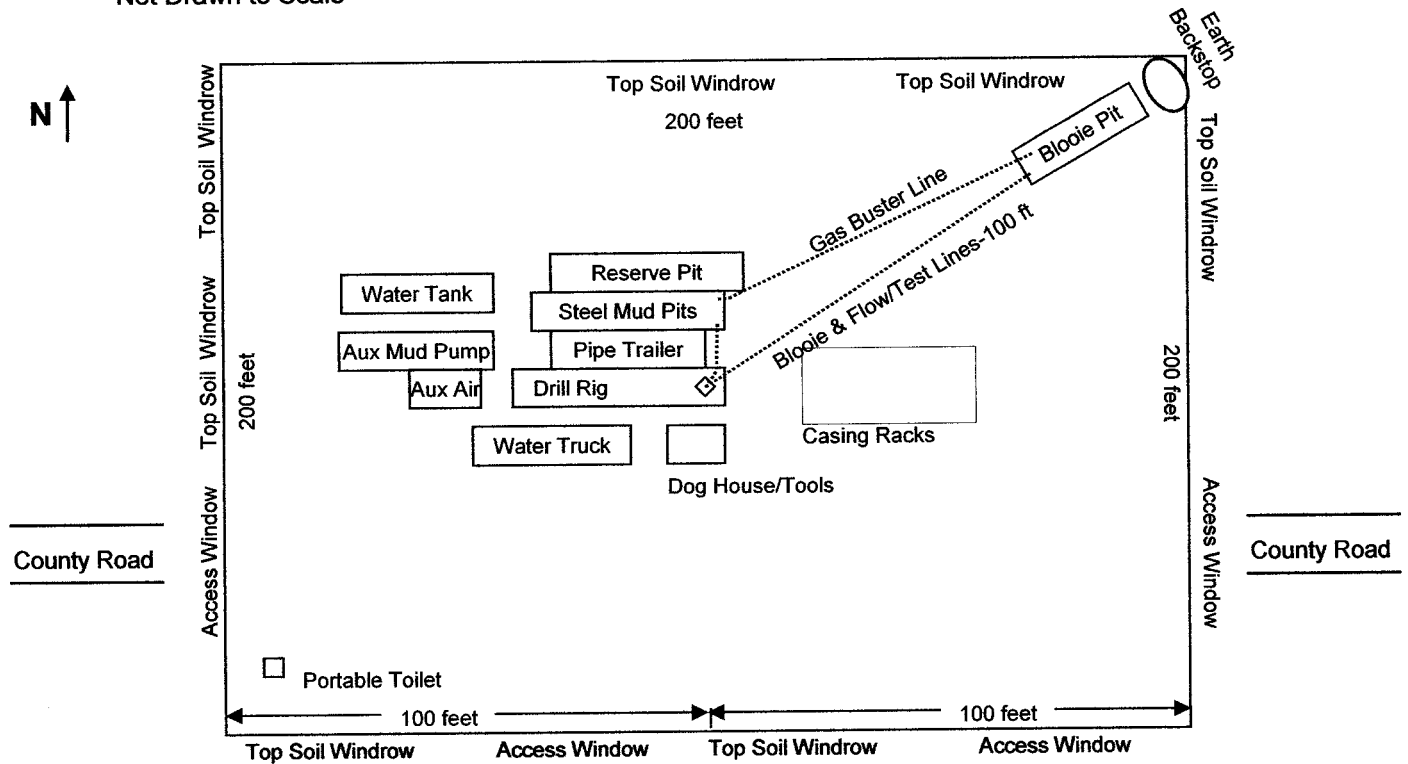




## Cisco 32-12-4 Attachment F

# Drilling Operation Pad & Equipment Layout Mobile Drilling Rig

\*Not Drawn to Scale



◇ Well Head      Gross possible disturbed area 40,000 sq. ft.

Access roads typically 16 feet to 18 feet wide with maximum disturbed width 25 feet

C 2.4'  
Elev. 4999.4'

C 1.8'  
Elev. 4998.8'

C 1.2'  
Elev. 4998.2'

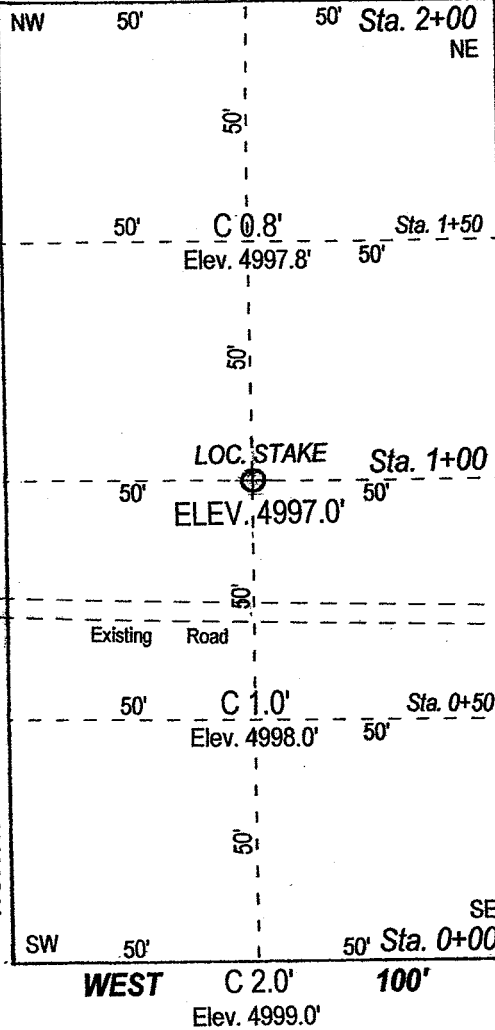
C 2.0'  
Elev. 4999.0'

C 2.7'  
Elev. 4999.7'

EAST  
C 1.7'  
Elev. 4998.7' 100'

200'

NORTH



C 1.0'  
Elev. 4998.0'

N C/F  
Elev. 4997.0'

F 1.3'  
Elev. 4995.7'

N C/F  
Elev. 4997.0'

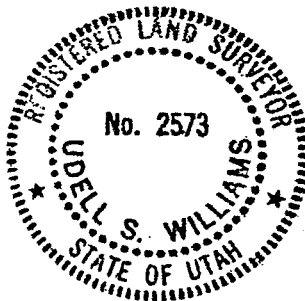
C 1.4'  
Elev. 4995.6'



SCALE: 1" = 40'

FINISHED GRADE ELEV. AT LOC. STAKE = 4997.0'

Prepared for: RUNNING FOXES PETROLEUM INC., 7060B S. Tucson Way, Centennial, Colorado 80112



### SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Utah PLS No. 2573



**UDELL S. WILLIAMS**  
Professional Land Surveyor  
449 E. Scenic Dr. (970) 254-0157  
Grand Junction, Colorado 81503-1569  
Surveying Western Colorado & Eastern Utah Since 1953

### TYPICAL CROSS-SECTIONS FOR

CISCO 32-12-4  
SEC. 32, T19S, R23E, SLB&M  
1520 FSL 825' FWL

SURVEYED BY: USW DATE: 6/06/2008  
DRAWN BY: USW DATE: 6/07/2008

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/25/2008

API NO. ASSIGNED: 43-019-31583

WELL NAME: CISCO 32-12-4

OPERATOR: RUNNING FOXES ( N2195 )

PHONE NUMBER: 720-889-0510

CONTACT: KENT KEPPEL

PROPOSED LOCATION:

NWSW 32 190S 230E

SURFACE: 1520 FSL 0825 FWL

BOTTOM: 1520 FSL 0825 FWL

COUNTY: GRAND

LATITUDE: 39.10738 LONGITUDE: -109.4031

UTM SURF EASTINGS: 638076 NORTHINGS: 4329698

FIELD NAME: GREATER CISCO ( 205 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	9/11/08
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML 51230

SURFACE OWNER: 3 - State

PROPOSED FORMATION: DKTA

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 4801935 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. UTE )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3.  
Unit: \_\_\_  
\_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
\_\_\_ R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 102-16(B)  
Eff Date: 11-15-1979  
Siting: 500' fr Property Line & 200' fr 1/4 1/4 L  
400' fr b.w. 9 1320' fr G.W.  
\_\_\_ R649-3-11. Directional Drill

COMMENTS: Needs Presu (08-05-08)

STIPULATIONS: 1- STATEMENT OF BASIS

FEDERAL  
AGATE 1  
x

T19S R23E

CISCO 32-2-1  
⊙

## GREATER CISCO FIELD

CAUSE: 102-16(B) / 11-15-1979

31

32

33

CISCO 32-12-4  
⊙

KEWANEE  
1-32 ⊙

CISCO 32-15-1  
⊙

T20S R23E

FEDERAL 1-5  
x ⊙  
EXIT/PARKER ETI 18-5

WESTERN  
FEDERAL 5-1  
⊙

EXIT/PARKER  
ETI 17-5 x

6

5

4

CISCO ⊙  
SPRINGS C 1

OPERATOR: RUNNING FOXES PETRO (N2195)

SEC: 32 T.19S R. 23E

FIELD: GREATER CISCO (205)

COUNTY: GRAND

CAUSE: 102-16(B) / 11-15-1979

**Field Status**  
■ ABANDONED  
■ ACTIVE  
■ COMBINED  
■ INACTIVE  
■ PROPOSED  
■ STORAGE  
■ TERMINATED

**Unit Status**  
■ EXPLORATORY  
■ GAS STORAGE  
■ NF PP OIL  
■ NF SECONDARY  
■ PENDING  
■ PI OIL  
■ PP GAS  
■ PP GEOTHERML  
■ PP OIL  
■ SECONDARY  
■ TERMINATED

**Wells Status**  
✂ GAS INJECTION  
⊙ GAS STORAGE  
x LOCATION ABANDONED  
⊙ NEW LOCATION  
⊙ PLUGGED & ABANDONED  
⊙ PRODUCING GAS  
⊙ PRODUCING OIL  
⊙ SHUT-IN GAS  
⊙ SHUT-IN OIL  
x TEMP. ABANDONED  
○ TEST WELL  
⊙ WATER INJECTION  
⊙ WATER SUPPLY  
⊙ WATER DISPOSAL  
⊙ DRILLING



OIL, GAS & MINING



PREPARED BY: DIANA MASON  
DATE: 17-JULY-2008

# Application for Permit to Drill

## Statement of Basis

8/18/2008

Utah Division of Oil, Gas and Mining

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Ownr</b>	<b>CBM</b>			
849	43-019-31583-00-00		GW	S	No			
<b>Operator</b>	RUNNING FOXES PETROLEUM, INC.		<b>Surface Owner-APD</b>					
<b>Well Name</b>	CISCO 32-12-4	<b>Unit</b>						
<b>Field</b>	UNDESIGNATED	<b>Type of Work</b>						
<b>Location</b>	NWSW 32 19S 23E S 1520 FSL 825 FWL GPS Coord (UTM) 638076E 4329698N							

### Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A poorly permeable soil is likely to be developed on the Upper Shale Member of the Mancos Shale. Poor quality water is likely to be encountered in permeable Mesozoic sandstones found below the Mancos Shale. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No underground water rights have been filed on any area within a mile of the proposed well site.

Chris Kierst  
APD Evaluator

8/14/2008  
Date / Time

### Surface Statement of Basis

On-site evaluation conducted August 5, 2008. In attendance: Bart Kettle-Division of Oil, Gas and Mining (DOGM), Kyle Beagley-Division of Wildlife Resources (DWR), Jim Davis-Trust Lands Administration (SITLA), Neil Sharp-Running Foxes Petroleum Inc

Fluids from drilling and production operations shall be disposed of in an appropriate manner. Reserve pit shall be fenced immediately upon removal of the drilling rig. Sufficient water should be applied to access road while drilling to prevent road from breaking up into powder pockets.

Bart Kettle  
Onsite Evaluator

8/5/2008  
Date / Time

### Conditions of Approval / Application for Permit to Drill

<b>Category</b>	<b>Condition</b>
Surface	The reserve pit shall be fenced upon completion of drilling operations.

# **ON-SITE PREDRILL EVALUATION**

## **Utah Division of Oil, Gas and Mining**

**Operator** RUNNING FOXES PETROLEUM, INC.  
**Well Name** CISCO 32-12-4  
**API Number** 43-019-31583-0      **APD No** 849      **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 NWSW      **Sec** 32      **Tw** 19S      **Rng** 23E      1520 FSL 825 FWL  
**GPS Coord (UTM)**      **Surface Owner**

### **Participants**

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Kyle Beagley-Division of Wildlife Resources (DWR), Jim Davis-Trust Lands Administration (SITLA), Neil Sharp-Running Foxes Petroleum Inc

### **Regional/Local Setting & Topography**

Proposed project site is located roughly 13 miles northwest of the town of Green River, in Grand County Utah. Annual precipitation is 6-8", vegetation is sparse at the project site, but would be described as salt scrub rangelands. Topography immediately adjacent to the project site is gently rolling clay flats. Drainage is to the south entering the Colorado River within 20 miles. No perennial water was observed in close proximity to the proposed project site. Drainages in the immediate area are ephemeral in nature, being dry throughout a majority of the year. On a regional setting the project is located in the Cisco Desert at the base of the Bookcliffs, a region known for it's harsh growing conditions due to low precipitation, and poorly developed salty soils.

### **Surface Use Plan**

#### **Current Surface Use**

Grazing

Wildlife Habitat

#### **New Road**

<b>Miles</b>	<b>Well Pad</b>		<b>Src Const Material</b>	<b>Surface Formation</b>
0	<b>Width</b> 200	<b>Length</b> 200		MNCS

#### **Ancillary Facilities**

### **Waste Management Plan Adequate? Y**

### **Environmental Parameters**

#### **Affected Floodplains and/or Wetland N**

#### **Flora / Fauna**

Flora

Grass: Cheatgrass, curly galleta

Forbs: Globe mallow, red stem filaree, tumble mustard, Russian thistle, halogeton

Shrubs: Four wing salt brush, spiny hop sage, winterfat, broom snakeweed, nuttles saltbrush, black grease wood

Trees: none

Other: cactus spp.

#### **Soil Type and Characteristics**

Sandy loam

#### **Erosion Issues Y**

Soils prone to wind erosion when disturbed, mitigation not recommended.

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diversion Required** N

**Berm Required?** N

**Erosion Sedimentation Control Required?** N

**Paleo Survey Run?** N

**Paleo Potential Observed?** N

**Cultural Survey Run?** Y

**Cultural Resources?** N

**Reserve Pit**

**Site-Specific Factors**

**Site Ranking**

<b>Distance to Groundwater (feet)</b>	>200	0
<b>Distance to Surface Water (feet)</b>	>1000	0
<b>Dist. Nearest Municipal Well (ft)</b>	>5280	0
<b>Distance to Other Wells (feet)</b>	>1320	0
<b>Native Soil Type</b>	Low permeability	0
<b>Fluid Type</b>	Fresh Water	5
<b>Drill Cuttings</b>	Normal Rock	0
<b>Annual Precipitation (inches)</b>	<10	0
<b>Affected Populations</b>	<10	0
<b>Presence Nearby Utility Conduits</b>	Not Present	0

**Final Score** 5 3 **Sensitivity Level**

**Characteristics / Requirements**

**Closed Loop Mud Required?** N

**Liner Required?** N

**Liner Thickness**

**Pit Underlayment Required?**

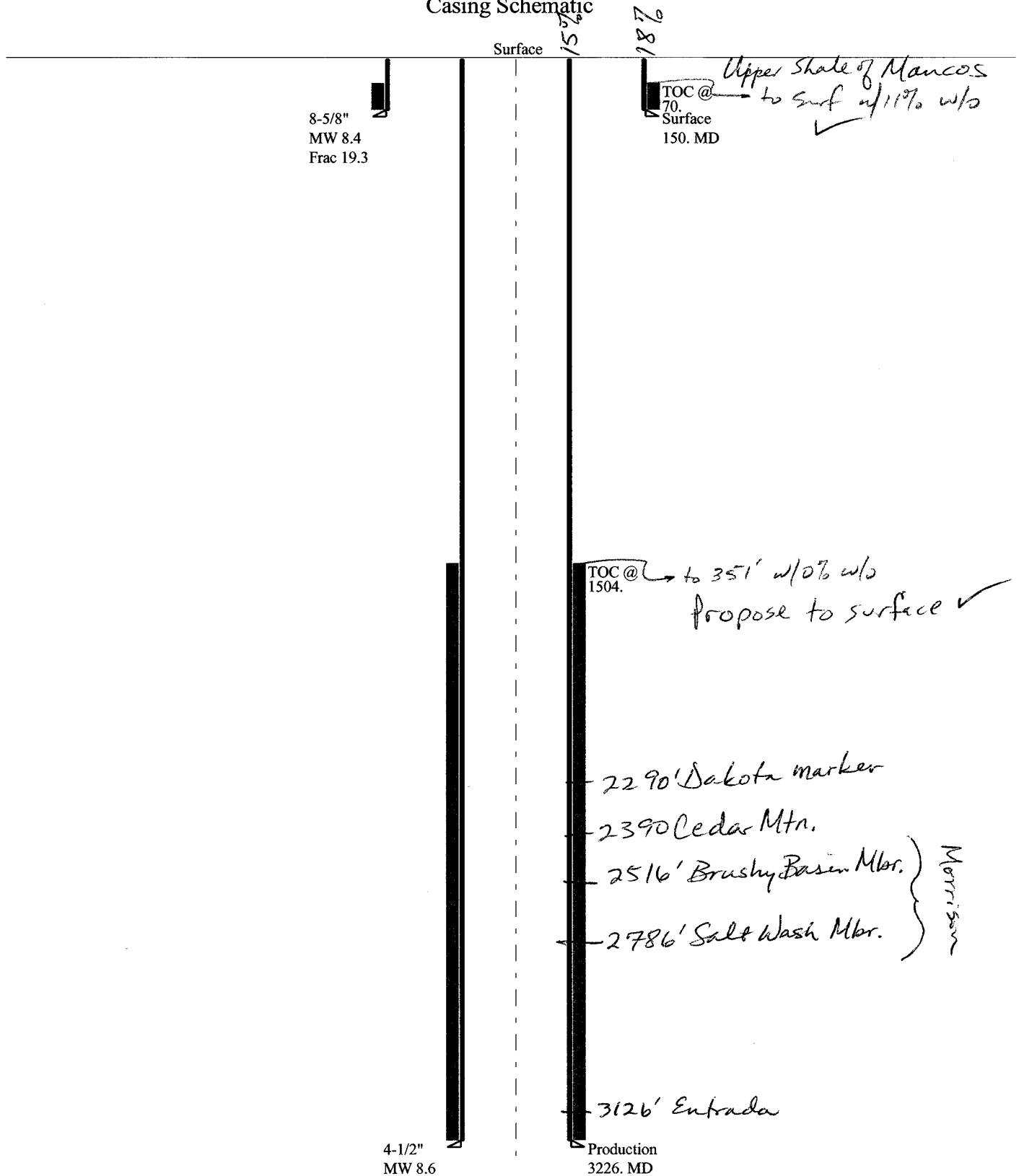
**Other Observations / Comments**

Bart Kettle  
Evaluator

8/5/2008  
Date / Time

43019315830000 Cisco 32-12-4

Casing Schematic





Well name:	<b>43019315830000 Cisco 32-12-4</b>	
Operator:	<b>Running Foxes Petroleum, Inc.</b>	
String type:	Surface	Project ID: 43-019-31583-0000
Location:	Grand County	

#### Design parameters:

##### Collapse

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

#### Minimum design factors:

##### Collapse:

Design factor 1.125

##### Burst:

Design factor 1.00

#### Environment:

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 67 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 120 ft

Cement top: 70 ft

##### Burst

Max anticipated surface pressure: 132 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 150 psi

No backup mud specified.

##### Tension:

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 131 ft

#### Non-directional string.

##### Re subsequent strings:

Next setting depth: 3,226 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 1,441 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 150 ft  
Injection pressure: 150 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	150	8.625	24.00	J-55	ST&C	150	150	7.972	53.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	65	1370	20.931	150	2950	19.67	4	244	67.78 J

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: August 28, 2008  
Salt Lake City, Utah

#### ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 150 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>43019315830000 Cisco 32-12-4</b>	
Operator:	<b>Running Foxes Petroleum, Inc.</b>	
String type:	Production	Project ID: 43-019-31583-0000
Location:	Grand County	

#### Design parameters:

##### Collapse

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

#### Minimum design factors:

##### Collapse:

Design factor 1.125

##### Burst:

Design factor 1.00

#### Environment:

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 110 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft  
Cement top: 1,504 ft

##### Burst

Max anticipated surface pressure: 732 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 1,441 psi

No backup mud specified.

##### Tension:

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

##### Non-directional string.

Tension is based on air weight.  
Neutral point: 2,813 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3226	4.5	10.50	J-55	ST&C	3226	3226	3.927	288.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1441	4010	2.782	1441	4790	3.32	34	132	3.90 J

Prepared Helen Sadik-Macdonald  
by: Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: August 28, 2008  
Salt Lake City, Utah

#### ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 3226 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

**BOPE REVIEW**

Running Foxes 32-12-4

API 43-019-31583-0000

**INPUT**

Well Name

Casing Size (")

Setting Depth (TVD)

Previous Shoe Setting Depth (TVD)

Max Mud Weight (ppg)

BOPE Proposed (psi)

Casing Internal Yield (psi)

Operators Max Anticipated Pressure (psi)

Running Foxes 32-12-4		API 43-019-31583-0000	
String 1	String 2		
8 5/8	4 1/2		
150	3226		
0	150		
8.4	8.4		
0	1500		
2950	4790		
750	1597	8.3 ppg	

**Calculations**

String 1 8 5/8 "

Max BHP [psi]

 $.052 \times \text{Setting Depth} \times \text{MW} =$  66

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

 $\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$  48NO *O.K.*

MASP (Gas/Mud) [psi]

 $\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$  33

NO

\*Can Full Expected Pressure Be Held At Previous Shoe?

Pressure At Previous Shoe

 $\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$  33NO *O.K.*

Required Casing/BOPE Test Pressure

150 psi

\*Max Pressure Allowed @ Previous Casing Shoe =

0 psi

\*Assumes 1psi/ft frac gradient

**Calculations**

String 2 4 1/2 "

Max BHP [psi]

 $.052 \times \text{Setting Depth} \times \text{MW} =$  1409

BOPE Adequate For Drilling And Setting Casing at Depth?

MASP (Gas) [psi]

 $\text{Max BHP} - (0.12 \times \text{Setting Depth}) =$  1022

YES ✓

MASP (Gas/Mud) [psi]

 $\text{Max BHP} - (0.22 \times \text{Setting Depth}) =$  699

YES

\*Can Full Expected Pressure Be Held At Previous Shoe?

Pressure At Previous Shoe

 $\text{Max BHP} - .22 \times (\text{Setting Depth} - \text{Previous Shoe Depth}) =$  732NO *750 psi expected BHP - O.K.*

Required Casing/BOPE Test Pressure

1500 psi

\*Max Pressure Allowed @ Previous Casing Shoe =

150 psi

\*Assumes 1psi/ft frac gradient

**From:** Jim Davis  
**To:** Bonner, Ed; Whitney, Diana  
**Date:** 8/13/2008 9:14 AM  
**Subject:** Running Foxes' Wells

**CC:** Neil Sharp (Running Foxes Petro)

The following wells have been approved by SITLA. Including paleo clearance (which was waived by UGS and SITLA) and Arch clearance (below).

4301931581 S	CISCO 32-2-1	Running Foxes Petro Co.	Undesignated	NWNE	32	190S	230E
4301931582 S	CISCO 32-15-1	Running Foxes Petro Co.	Undesignated	SWSE	32	190S	230E
4301931583 S	CISCO 32-12-4	Running Foxes Petro Co.	Undesignated	NWSW	32	190S	230E

-Jim

Jim Davis  
Utah Trust Lands Administration  
jimdavis1@utah.gov  
Phone: (801) 538-5156

>>> Kristine Curry 8/13/2008 9:06 AM >>>

The following wells have been cleared for cultural resources:

Running Foxes Petroleum's Cisco 32-2-1 [API #4301931581] (U-08-MQ-0567s)

Running Foxes Petroleum's Cisco 32-15-1 [API #4301931582] (U-08-MQ-0567s)

Running Foxes Petroleum's Cisco 32-12-4 [API #4301931583] (U-08-MQ-0567s; 1 non-significant site, 42Gr4037)

I've updated the BS for each of these.

Kristine



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 11, 2008

Running Foxes Petroleum, Inc.  
7060 B S Tucson Way  
Centennial, CO 80112

Re: Cisco 32-12-4 Well, 1520' FSL, 825' FWL, NW SW, Sec. 32, T. 19 South, R. 23 East,  
Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31583.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Grand County Assessor  
SITLA

**Operator:** Running Foxes Petroleum, Inc.

**Well Name & Number** Cisco 32-12-4

**API Number:** 43-019-31583

**Lease:** ML-51230

**Location:** NW SW **Sec.** 32 **T.** 19 South **R.** 23 East

### **Conditions of Approval**

#### **1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### **2. Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

#### **3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Page 2

43-019-31583

September 11, 2008

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 51230
2. NAME OF OPERATOR: Running Foxes Petroleum		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7060 B South Tucson Way CITY Centennial STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1520' fsl & 825' fwl		8. WELL NAME and NUMBER: Cisco 32-12-4
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 32 19S 23E		9. API NUMBER: 4301931583
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Greater Cisco
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

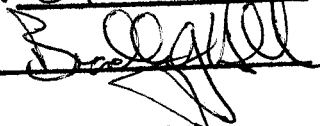
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Permit Renewal
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Running Foxes Petroleum requests the renewal of its original permit to drill for the aforementioned well in Grand County, Utah. A year extension from the renewal date is desired. It there are any questions or inquiries, please contact Running Foxes Petroleum via the information provided.

attached: Permit Extension Validation Form

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 09-30-09  
By: 

**COPY SENT TO OPERATOR**

Date: 10.7.2009  
Initials: KS

NAME (PLEASE PRINT) Neil D. Sharp	TITLE Geologist
SIGNATURE 	DATE 9/25/2009

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SEP 29 2009

DIV. OF OIL, GAS & MINING





**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-019-31583  
**Well Name:** Cisco 32-12-4  
**Location:** 1520' fsl & 825' fwl; NW SW; S32 T19S R23E  
**Company Permit Issued to:** Running Foxes Petroleum  
**Date Original Permit Issued:** 9/11/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

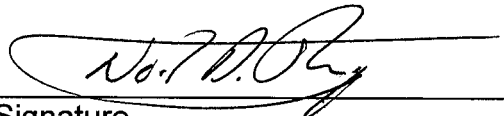
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
Signature

9/25/2009  
Date

Title: Geologist

Representing: Running Foxes Petroleum

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SEP 29 2009

DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 15, 2010

Running Foxes Petroleum  
7060 B South Tucson Way  
Centennial, CO 80112

Re: APD Rescinded – Cisco 32-12-4, Sec.32, T.19S, R.23E  
Grand County, Utah API No. 43-019-31583

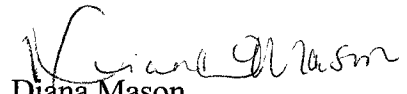
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 11, 2008. On September 30, 2009, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 15, 2010.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Ed Bonner, SITLA



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER NOT DRILLED

2. NAME OF OPERATOR:  
Running Foxes Petroleum, Inc.

3. ADDRESS OF OPERATOR:  
7060 B South Tucson Way CITY Centennial STATE CO ZIP 80112

PHONE NUMBER:  
(720) 889-0510

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1520' FSL & 825' FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 32 19S 23E 6

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-51230

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Cisco ~~32-12-4~~ 32-12-14

9. API NUMBER:

4301931583

10. FIELD AND POOL, OR WILDCAT:

Greater Cisco

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Reclamation</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Running Foxes Petroleum, Inc.(RFP) did not drill on this location, but did prepare the site before the permit expired. No pits were dug; only well pad and access road. RFP has scheduled this location into our fall reclamation program. We have a contractor hired to complete this work. Seed mix and method of application and soil preparation will be approved prior to completion.

COPY SENT TO OPERATOR

Date: 6-7-2011

Initials: KS

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 5/31/11  
By: P. Juni

\* see condition below

NAME (PLEASE PRINT) Kent Keppel

TITLE Landman

SIGNATURE

*Kent Keppel*

DATE

5/18/2011

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Condition of Approval  
work will be completed by 11/1/2011

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MAY 23 2011

DIV. OF OIL, GAS & MINING

24

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML 51230</b>
2. NAME OF OPERATOR: <b>Running Foxes Petroleum</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 6855 S. Havana St., # 400 CITY: Centennial STATE: CO ZIP: 80112		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1520' FSL / 825' FWL</b>		8. WELL NAME and NUMBER: <b>Cisco 32-12-4</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSW 32 19S 23E 6</b>		9. API NUMBER: <b>4301931583</b>
COUNTY: <b>Grand</b>		10. FIELD AND POOL, OR WILDCAT: <b>Greater Cisco</b>
STATE: <b>UTAH</b>		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>10/21/2011</b>	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Well location was</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>never drilled</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This Sundry Notice is to notify that reclamation operations were completed on 10-21-2011. Running Foxes Petroleum performed this operation based on a procedure and seeding mix approved by the Moab BLM Field Office. Bart Kettle and Dustin Doucet were made aware we were going to complete this reclamation work. A "No Trespassing" sign was put up on the road leading into this location to aid in the seeding recovery process on the well site and access road.

CC: State of Utah Trust Lands Administration

NAME (PLEASE PRINT) <u>Kent Keppel</u>	TITLE <u>Landman</u>
SIGNATURE <u><i>Kent Keppel</i></u>	DATE <u>11/18/2011</u>

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**NOV 21 2011**

**DIV. OF OIL, GAS & MINING**